RESEARCH HIGHLIGHT

July 2006

Socio-economic Series 06-014

Impacts of Ethnic Changes on the Housing Market in the Rivière-des-Prairies District of Montréal

INTRODUCTION

Like many North American cities, Montréal underwent a major ethnodemographic transformation in recent decades as a result of new immigration, and the Rivière-des-Prairies district has been no exception. A mainly industrial sector at one time, Rivière-des-Prairies has been progressively transforming itself into a typical suburban district since the 1960s.

A study of the roles of real estate agents and buyers on the housing market between 1996 and 2000[1] had already identified the various ways in which ethnic groups — immigrants and non-immigrants — accessed the Montréal real estate market. That project had demonstrated that clients from the Caribbean, especially those of Haitian origin, had more difficulty than any other group in accessing the real estate market in the eastern part of the Island of Montréal.

Since Rivière-des-Prairies includes a few geographic sectors that present challenges specific to these ethnic groups in the Montréal area, this district was retained as a preferred location for this study to observe and analyze the conditions in which persons of Haitian origin access the real estate market.

The primary objective was therefore to study the conditions that give rise to the differential treatment — real or perceived — given to buyers of Haitian origin and the related effects on the access to the Rivière-des-Prairies housing market.

METHODOLOGY

A strategy was developed to find out more about the real estate market in this district and the perceptions of the key players, with the following four components.

1. Analyze the significance and nature of the interethnic transactions in the district over a period of observation in line with the previous studies of the author, that is, 1999 and 2000.
2. Examine the perceptions of the changes on the local market by buyers of Haitian origin.
3. Identify the social and ethnic differentiation patterns and their confinement effects for the sector concerned.
4. Highlight the mortgage financing terms and conditions of certain institutions in the area.

FINDINGS

Like other suburban markets, the Rivière-des-Prairies housing market posted rapid growth in the 1980s and 1990s. The built landscape progressively confirmed the residential function of this district on the Island of Montréal. Several types of housing appeared there. Multiple-family residential buildings went up along the major boulevards, while single-family houses and a few two-family dwellings were built in the adjacent sectors, to meet market needs, that is, condominiums for non-family or single-parent households and one- or two-family homes and apartments for families with children.

[1] PARÉ, Sylvie (2001). "L'facteur ethnique dans le choix d'un agent immobilier : les perceptions des acteurs," Les Cahiers du GRÈS, vol. 2, no 1, p. 41-53.

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As well, the Rivière-des-Prairies district has a significant ethnic population, particularly in its central and central-west parts. In addition to the groups of French-Canadian, Italian and Haitian origins, new visible minority groups have been settling in this district, as in several other districts of Montréal and its suburbs. The districts are changing and welcoming the great ethnic diversity that immigration has provided since the 1990s. Identity markers such as skin colour, gender and family status represent the parameters of a social and ethnic transition in Rivière-des-Prairies, as in other districts.

The study revealed that the arrival of the group of Haitian origin did not have a direct impact on property values, despite the perceptions of real estate agents in the eastern part of the Island of Montréal. In fact, the hypothesis of an increase/decrease in property values could not be formally verified with the data from the sample of transactions (200 transactions).

The study did demonstrate, though, that the properties owned by the groups of Italian and French-Canadian origins were in assessment categories that were above the average for the district (except for condominiums). The perception of some real estate agents with regard to the lower values of the properties purchased by people of Haitian origin could mainly result from the fact that these people rather opt for modestly priced homes to house their often large families, and that it is simply the market conditions that have changed. In addition, these people are, more often than not, first-time homebuyers.

A review of a sample of transactions having taken place in 1999 and 2000 revealed the following disparities among the groups that settled in Rivière-des-Prairies over the past 20 years.

- French-Canadians prefer two types of housing available in Rivière-des-Prairies: condominiums and rather modest single-family homes.
- Italians, for their part, built large houses suited to their lifestyle and their concept of the extended family.
- Haitians seek suitable single-family homes to house their families, after experiencing difficulties on a tight rental market, and often buy their first properties from Italians or French-Canadians who built their first homes during the 1980s.

In-depth interviews conducted with 13 buyers in Rivière-des-Prairies in 1999 and 2000 highlighted cooperation among Haitian buyers, sellers and agents, with no perceived differential treatment. However, an analysis of the interviews revealed that clients frequently changed real estate agents when looking for a home and that this practice could be concealing some factors that would suggest that the business relationship between the agent and the buyer was not working. This aspect would merit further examination, as the possible existence of certain systemic factors cannot be ruled out, especially since it is known — with almost one third of the respondents having reported this — that the guiding (or steering) of potential Haitian clients toward this same district is a common practice among real estate agents.

This study also revealed that suburban life and relatively lower property prices are the primary determining factors for most buyers who decide to settle in this district, in addition to the appeal of the ethnic community network that provides them with the opportunity to have their children minded by a family member.

As for the choice of the district as a living environment, the hypothesis of an effect like the confinement of Haitians to the Rivière-des-Prairies district could only be partially verified. In fact, the study demonstrated that there was no confinement, but rather a significant concentration of population, attributable to the following reasons:

- the desire to stay together with other members of the Haitian community in Rivière-des-Prairies, while remaining near the Montréal-Nord and Saint-Léonard districts;
- the market prices and the geographic situation on the Island of Montréal; and

- the fact that real estate agents are very familiar with the qualities of the district and its appeal to clients of Haitian origin.

The diverse landscape of the Rivière-des-Prairies district offers an environment that is well suited to the various needs of the people living there, and buyers who can find riverfront properties benefit from a preferred location. The significant concentration of Haitians could certainly be attributable to the presence of an ethnic community network, that is, the proximity of the family, friends and acquaintances required for mutual assistance and social cohesion. In fact, the buyers involved in this study are comfortably settled there and mainly focus on family and education criteria when choosing a living environment.

Lastly, the study indicates that buyers of Haitian origin entering the real estate market rather make use of alternative financing methods, as it is difficult for them to obtain financing from lending institutions.

CONCLUSION

This exploratory study of the ethnic dimension of the housing market in the Rivière-des-Prairies district of Montréal proved to be instructive in several respects and allowed for a first foray into a pluriethnic district with distinctive characteristics — as a suburb on the Island — at a microspatial level. This study also corroborated findings from previous studies, particularly with regard to choosing a location for a home.

Most Haitians in Montréal want to live in bungalows. There is a marked preference for existing properties, especially for houses that are around 25 years old, which is in line with this study of Rivière-des-Prairies. It was a dissatisfaction rate of 32 per cent with their previous rental dwelling that brought households to buy a home. Haitians felt mistreated on the rental market; about half of the people interviewed expressed negative perceptions or indicated that they had suffered the effects of discriminatory practices. For these various reasons, Haitians having recently settled in Rivière-des-Prairies went from renting to owning their home, in a proportion of 42 per cent compared to 56 per cent for all immigrants.

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Housing Research at CMHC

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Printed in Canada
Produced by CMHC 24-07-06

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